

# BTMC loss records a staggering rise

By S. Y. Bakht

The net loss incurred by Bangladesh Textile Mills Corporation (BTMC) recorded a staggering rise in the first 10 months of fiscal 1990-91 — six times higher than the amount in the corresponding period of fiscal 1989-90.

As of April 1991, the net deficit of BTMC stood at Taka 54.52 crore, according to an official source. The amount was only Taka 9.47 crore in July-April of the last fiscal year.

Increase in the price of raw cotton, currency devaluation, imposition of import duty and additional benefits in the form of Dearness Allowance (DA) are cited as reasons for the "unusual rise" in the net loss incurred by BTMC.

The international market price of raw cotton increased by an average of 20 per cent over that of the last year. The Corporation thus had to spend extra resources to procure raw cotton for its yarn mills, the source said. Currency devaluation and the imposition of a five per cent import duty also added to the enhanced expenses. BTMC also had to bear the additional expenditure of giving a 10 per cent dearness

allowance to its over 48,000 employees in its 41 units with effect from December 1990, the source added.

The sale price of the yarn produced by BTMC remained static for the last two years, the source said, adding that only during the previous five months the price was raised by about seven per cent. The price per kilogram of yarn was Taka 122.25 last April and it has been increased to Taka 131.04 per kilogram recently.

Of the 41 units under BTMC, 23 produces only yarn, 13 are composite mills producing both yarn and textiles, four produce specialised textiles and there is one workshop unit. BTMC units account for 40 per cent of total domestic yarn production. Only one fifth of this production is used by BTMC mills and the rest are sold to weavers in the open market.

In December last BTMC faced problems with its huge unsold inventory, the source pointed out. It had then an unsold stock of 22,000 bales of

yarn and another 7000 bales of clothes. However, the inventory position has changed for the better over the last few months, he said. There are about 9000 bales of yarn and another 4000 bales of cloth in stock at present, which is equivalent to a month's production, the source added.

The production target for the current year is 5.43 crore kilogram of yarn and about 6.23 crore metre of cloth. The target was projected on 90 per cent utilization of the capacity. There are 7,73,368 spindles and 3,626 looms installed in all of the BTMC units. In 1989-90, production stood at 4.28 crore kilogram of yarn and 5.19 crore metre of cloth, the source said. All 41 units of BTMC are currently in operation.

BTMC owes more than Taka 400 crore to various banks. Of this amount, Taka 208 crore is owed as short term loan, out of which Taka 58.96 crore is owed to the commercial banks and Taka 149.64 crore to Bangladesh Bank. Another Taka 195 crore stands as long term loan.

## Anti-dumping duties on imports of acid from China, India

BRUSSELS, June 4: The European Commission (EC) has imposed provisional anti-dumping duties on imports of oxalide acid from China and India, the EC's Executive Commission said here Monday, reports AFP.

It imposed duties of 20.3 per cent on imports from China and 6.5 per cent on imports from India. Czechoslovakia was also included in the investigation, but no duties have been applied on the Czech product.

Oxalide acid is used mainly in the textile, building metals, pharmaceutical and chemical industries. It is used in such products as marble bleaches, leather softeners and veterinary antibiotics.

The Commission said imports of the acid from China and India had risen almost threefold from 1,406 to 3,689 tons between 1986 and 1989.

## Aid to USSR not substitute for reform: Quayle

BONN, June 4: US Vice President Dan Quayle said foreign aid could not substitute for Soviet reform and said a generation of Soviet citizens would miss out on prosperity if Moscow does not take concrete steps toward a market economy, reports Reuter.

Speaking after talks with German Chancellor Helmut Kohl, he said the West should provide incentives for Moscow to reform but western aid could not solve Moscow's woes alone.

"Let me just say that there is no substitute for systemic reform in the Soviet Union...there is no amount of aid that can be pumped into the Soviet Union that is going to help the Soviet Union."

## Milad mahfil at DSE

Star Economic Report  
Quran Khani and Milad Mahfil was held at Dhaka Stock Exchange (DSE) Trading Hall on 3 June for magister of the departed soul of Mr A S Shafiqul Alam. Members, authorised assistants and staff of Dhaka Stock Exchange attended the Milad.

It may be mentioned that former Vice Chairman and Councillor of Dhaka Stock Exchange Alam died May 30 at Shuhrawardy Hospital, says a press release.

# Small units dominate private sector manufacturing

Star Economic Report

Small enterprises dominate private sector manufacturing in the country, according to the recently-completed Bangladesh Manufacturing Industries Survey (1990).

The survey was conducted by Metropolitan Chamber of Commerce and Industries (MCCI) on the basis of a nationwide random sampling of manufacturing establishments having 10 and more employees. A comprehensive report on the survey was handed over to Minister of Industries Shamsul Islam Khan on Sunday by the functionaries of the MCCI.

About the ownership pattern of private manufacturing establishments, the survey reveals that as high as 69 per cent of the units are owned by single individual and 16 per cent are owned by partnership of individuals. While 12 per cent of the establishments are private limited companies, only 1.44 per cent of the

establishments in the private sector are public limited companies.

"Very small corporate sector reflects underdeveloped nature of the private manufacturing sector in the country," the survey notes. Vast resources required for speedy development and expansion of the manufacturing sector, it points out, can be mobilised by the incorporated companies. "Well-managed stock exchange, imaginative fiscal policy and required aggregate publicity for popularising investment in shares, debentures etc. by small savers can help expand the corporate sector," it notes.

The survey shows that 48 per cent of the private sector manufacturing enterprises, employing 500-999 employees, are private limited company while public limited company in this size class accounts for only 15 per cent of the enterprises. Among enter-

prises employing more than 1000 employees, 72 per cent of the enterprises are private limited companies and the rest 28 per cent are public limited companies. "It appears that even the large enterprises in Bangladesh do not seem to take up the form of public limited company," it says.

Explaining the reasons for this, the survey report points out that the propensity of the entrepreneurs to retain their absolute control over their enterprises and thereby avoid public exposure of the economic state of affairs of those companies is the basic factor responsible for a very small corporate sector. The public limited companies are required by law to publish annual reports depicting their financial position in the annual general meeting of the shareholders but the private limited companies have no such obligations, the report added in this connection.

## Snippets

### Yslav metal workers on strike

BELGRADE, June 4: About 130,000 Yugoslav metal workers walked off the job on Monday to press demands for an income tax cut, assured salary payments and lighter employer charges, the Tanjug News Agency reported, says AFP.

Striking metal workers in the central Yugoslav republic of Bosnia-Herzegovina are demanding that their income-tax rate be cut to 33 per cent from the current rate of nearly 100 per cent.

The workers are also demanding that the state adopt social assistance measures and take actions to ensure that Iraq honours its debts to Yugoslav companies.

### US treasury bond close sharply lower

NEW YORK, June 4: The US Treasury bond ended sharply lower, with investors and dealers sidelined by worries about an economic recovery many believe is pending, reports Reuter.

Early in the day, release of the national association of purchasing management index showing a rise to 45.4 per cent in May from 42.1 per cent was widely expected and had little initial impact. But the news added to negative sentiment in what was generally seen as a trading void. "There is no exact reason for what is going on in the market," said James Kenney, trading manager at prudential-bache securities inc.

### Saudi Prince to sell Bay Point island

BEAUFORT (South Carolina), June 4: A Saudi Prince who owns one of South Carolina's last unspoiled barrier islands must sell the land to help pay off 21 million Dollars in debts, reports AP.

Prince Faisal Mohamed al-Saud al Kabir, 46, a nephew of Saudi Arabian King Fahd, had his company file for bankruptcy November 2, 1990.

The company, Yamamah Ltd, listed 21 million Dollars in debts that piled up during a buying spree over several years. Creditors include an investment group that loaned the Prince nearly 12 million Dollars, the News and Courier of Charleston (South Carolina) reported Monday.

The Prince bought Bay Point Island for 3.5 million Dollars in 1984.

### Kuwait seeks more teams to cap oil wells

VIENNA, June 4: Kuwaiti Oil Minister Hamoud Abdullah al-Raqba said on Monday the number of teams fighting oil fires set by retreating Iraqi troops at the end of the Gulf war would increase in the next two months, reports Reuter.

He told reporters that Kuwait has signed "letters of understanding" with Iran, Britain, China, the Soviet Union, Romania and France to join eight US and Canadian teams in the fire-fighting effort.

"Up to 23 teams will be working (together). It would take a couple of months to put them together," he said.

### \$687m IMF loan to Algeria

WASHINGTON, June 4: The International Monetary Fund (IMF) announced on Monday that it is offering Algeria as much as 687 million Dollars in new loans over the next 10 months, reports AP.

The North African republic already owed more than 26 billion Dollars in 1989, according to the last figure compiled by the World Bank. It owes the fund about 634 million Dollars.

Of the new money, 404 million Dollars would go to back up Algeria's promises of new policies. Another 283 million dollars would be available if the prices of oil and oil products go down enough to hurt the country's international position, since these are among its main exports.

### EC-Israel talks to continue

LUXEMBOURG, June 4: The European Community (EC) will continue its dialogue with Israel on the Middle East peace process during an OECD meeting in Paris on Tuesday and Wednesday, an EC statement said Monday, reports AFP.

It said the foreign ministers of Luxembourg, Italy and the Netherlands would meet with Israeli Foreign Minister David Levy in the sidelines of the meeting of the Organisation of Economic Cooperation and Development (OECD).

The EC foreign ministers, Jacques Poos of Luxembourg, Gianni De Michelis of Italy and Hans Van Den Broek of the Netherlands, represent the current and immediate past and future presidencies of the community.

## Garment Exporters' Assoc AGM held

Star Economic Report  
Bangladesh Garment Manufacturers and Exporters Association held its annual general meetings of 1987 to 1990 on June 1, says a press release.

The President of the Association Mohammad Mosharaf Hossain thanked all and hoped that the garment sector would play a leading role in restructuring the economy in the future.

## Modest fall in share trading

Star Economic Report  
Dhaka Stock Exchange (DSE) witnessed a modest fall in trading on Thursday.

Advancers dominated transactions. And the DSE All Share Price Index moved up slightly. It went up to 317.4238 points from Monday's 317.3626. The index is the broad indicator of price movements of all the listed stocks.

In all 8,912 shares changed hands compared with Monday's 9,490. Traded issues valued Taka 2,49,748.00. It was Taka 3,66,918.00 on Monday.

Transactions involved twenty five stocks. Of them eight gained, five lost and twelve remained unchanged at their previous quoted prices.

G. Q. Ball Pen and Chittagong Vegetable advanced Taka 2.00 and Taka 1.25 to Taka 60.00 and Taka 97.50 respectively.

Rupam Oil, 5th ICB Mutual Fund, Oxygen, Dulamia Cotton, Talu Spinning and Chittagong Cement gained within the range between Taka 0.25 and Taka 1.00.

Dhaka Vegetable lost Taka 15.50 to Taka 130.00.

Bangladesh Autocars, National Tubes, Eagle Star and Apex Tannery declined within the range between Taka 0.22 and Taka 1.25.

## Quoted Prices of Traded Stocks

Stock	Price	Change
Bank L.F.C.	100/5190.00	unchanged
4th ICB M.Fund	100/10	unchanged
5th ICB M.Fund	100/10	unchanged
6th ICB M.Fund	100/10	unchanged
7th ICB M.Fund	100/10	unchanged
8th ICB M.Fund	100/10	unchanged
9th ICB M.Fund	100/10	unchanged
10th ICB M.Fund	100/10	unchanged
11th ICB M.Fund	100/10	unchanged
12th ICB M.Fund	100/10	unchanged
13th ICB M.Fund	100/10	unchanged
14th ICB M.Fund	100/10	unchanged
15th ICB M.Fund	100/10	unchanged
16th ICB M.Fund	100/10	unchanged
17th ICB M.Fund	100/10	unchanged
18th ICB M.Fund	100/10	unchanged
19th ICB M.Fund	100/10	unchanged
20th ICB M.Fund	100/10	unchanged
21st ICB M.Fund	100/10	unchanged
22nd ICB M.Fund	100/10	unchanged
23rd ICB M.Fund	100/10	unchanged
24th ICB M.Fund	100/10	unchanged
25th ICB M.Fund	100/10	unchanged
26th ICB M.Fund	100/10	unchanged
27th ICB M.Fund	100/10	unchanged
28th ICB M.Fund	100/10	unchanged
29th ICB M.Fund	100/10	unchanged
30th ICB M.Fund	100/10	unchanged
31st ICB M.Fund	100/10	unchanged
32nd ICB M.Fund	100/10	unchanged
33rd ICB M.Fund	100/10	unchanged
34th ICB M.Fund	100/10	unchanged
35th ICB M.Fund	100/10	unchanged
36th ICB M.Fund	100/10	unchanged
37th ICB M.Fund	100/10	unchanged
38th ICB M.Fund	100/10	unchanged
39th ICB M.Fund	100/10	unchanged
40th ICB M.Fund	100/10	unchanged
41st ICB M.Fund	100/10	unchanged
42nd ICB M.Fund	100/10	unchanged
43rd ICB M.Fund	100/10	unchanged
44th ICB M.Fund	100/10	unchanged
45th ICB M.Fund	100/10	unchanged
46th ICB M.Fund	100/10	unchanged
47th ICB M.Fund	100/10	unchanged
48th ICB M.Fund	100/10	unchanged
49th ICB M.Fund	100/10	unchanged
50th ICB M.Fund	100/10	unchanged

Source: Department of Agricultural Marketing

## French economy on verge of recession

PARIS, June 4: France's economy was on the verge of recession in the first quarter of the year and economists said the government of Prime Minister Edith Cresson would have problems reaching its 1991 growth forecast of two per cent, reports Reuter.

The total output of goods and services was unchanged in the quarter after contracting by 0.2 per cent between October and December, the National Statistics Institute Insee said.

A classic definition of recession is a downturn in the economy in two successive quarters.

The first quarter figures showed only stock accumulation, government spending an house building prevented the economy from contracting for the second consecutive quarter.

Economic growth slowed in 1990 to 2.8 per cent from 4.5 per cent in 1989. Business surveys and car sales figures

suggest that the economy started to pick up in April.

Cresson, who became Prime Minister last week, has vowed to reinvigorate French industry of bring down the nation's unemployment rate — one of the highest in Europe at 9.3 per cent — and strengthen the overall economy for the advent of Europe's single market in 1993.

Economic growth in France, as in other industrial countries, slowed dramatically because of the Gulf crisis, which prompted businesses and consumers alike to put spending plans on ice.

Confidence is recovering, but only gradually, and economists do not expect a quick return to the heady growth rates of the late 1980s.

Industrial output fell by 0.1 per cent in the quarter, investment 1-0 per cent and exports by 2.4 per cent, Insee said.

## Indonesia reforms palm, coconut oil trade rules

JAKARTA, June 4: Indonesia has abolished import and export restrictions on palm and coconut oil, reduced the role of state marketing boards and eased rules for refining the oils, reports Reuter.

Deregulation measures announced by Economic and Industry Minister Raudus Prawiro will abolish a trading system that permits a near-monopoly in imports and exports of cooking oils.

Traders welcomed the planned changes, which become effective from June 15, but said they expected higher costs for a time as 21 state

plantations, which dominate palm oil production, look for customers other than the state marketing board (KPB).

Under the new rules firms are free to refine palm oil will pay five per cent.

Previously all importers paid 40 per cent levies except one firm, Sinar Mas.

Imports of copra and coconut oil, virtually banned, will become possible at tariffs of five and 10 percent respectively.

Indonesia has been promoting investment in palm oil in recent years and is becoming a major world producer.



KARACHI: Gulam Ishaq Khan (L), President of Pakistan, Shaikh Ismail Abudawood (C), President of Islamic Chamber of Commerce and Industry and Commodity Exchange, and Dr. Hamid Algabid, Secretary General of the Organisation of Islamic Conference (OIC), attended the opening ceremony of the headquarters building of the Islamic Chamber of Commerce and Industry. — AFP photo

# Ishaq calls for Islamic common market

KARACHI, June 4: Pakistan President Ghulam Ishaq Khan Monday called for establishment of an Islamic common market for the economic development of the Muslim world, reports AFP.

He also called for Muslim states to develop their own modern defence capabilities to offset "serious security threats" facing the Islamic world.

Ishaq Khan was inaugurating the new three-million-Dollar headquarters of the Islamic Chamber of Commerce and Industry and Commodity Exchange (ICCICE), built under the aegis of the 45-member Organisation of the Islamic Conference.

"The Muslim world is passing through a critical phase of its history as it is faced with multifarious challenges in political and security fields," he said. "At times one wonders if it is really master of its own destiny."

Calling for closer collaboration in all fields, Ishaq Khan said the way to pan-Islamic

economic recovery lay in "collective jihad (holy war)."

He said Muslim countries should use their surplus manpower, resources and technical know-how for their collective good by establishing a European-style Islamic common market.

The ICCICE should advise member countries on development patterns, fiscal and monetary policies and institutional arrangements that would accelerate realisation of economic unity, he added.

Ishaq Khan, an economist, said regional groupings such as the Association of Southeast Asian Nations and the European Community were flourishing, while Islamic countries had not even started

thinking of such cooperative arrangements.

The ceremony was attended by the OIC Secretary General Hamid al-Gabid and the ICCICE chief Sheikh Ismail Abu Dawood along with more than 40 representatives from member countries.

## Raw Jute

June - 4		
Kutcha bales		
FOB * Narayanganj/Daulatpur		
Varieties (Tk. per 100 Kg)		
White	Tossa	Meshtia
Medium 1393	1500	1125
Bot. (B) 1340	1447	1098
Bot. (C) 1206	1286	1045
Bot. (X) 1072	1125	857
* FOB = Freight on board		
* Bot. = Bottom		

## Exchange Rates

June - 4		
SELLING AND BUYING RATES, offered by Commercial Banks, for Bank Cheques, (B/C) and Overseas Drafts (O/D)		
One Unit of Foreign Currencies (FC) for Taka	Selling	Buying
US Dollar	35.9226	35.4432
UK Pound Sterling	60.9389	60.2046
German Deutsche Mark	20.6215	20.3346
French Franc	6.0824	5.9982
Saudi Riyal	9.6101	9.4819
Dutch Guilders	18.2998	18.0464
Pakistan Rupee	1.5941	1.4897
(AMU) *		
Singapore Dollar	20.3435	20.0720
UAE Dirham	9.8141	9.6831
Kuwait Dinar	Not available	
Indian Rupee		
AMU	1.7123	1.6959
S. Kroner	5.7568	5.6754
* AMU - Asian Monetary Unit		

## Secondary Exchange Market

Wage Earners Fund/Export Performance Benefit (XPB) Fund		
US Dollar	Buying	Selling
US Dollar	36.48	36.53
UK Pound	61.91	61.96
Sterling		
* The rates of Pound Sterling are decided every day, based on the cross-rates of New York market		
Source: Small Bank		

## Gold & Silver

June - 4		
(Taka for 11.66 grams)		
Gold	18,000.00	12,000.00
Telaji	25,000.00	30,000.00
Outera	30,000.00	35,000.00
Silver	44,000.00	50,000.00
Very heavy	50,000.00	55,000.00
Rejected	18,000.00	20,000.00
Big & heavy	10,000.00	12,000.00
Light & heavy	5,000.00	5,200.00
Rejected	2,800.00	2,800.00
Sheep	8,000.00	8,200.00
Buffalo	55,000.00	56,000.00
Source: Department of Agricultural Marketing		

## Hides & Skin

(Wet/Salted)  
June - 4  
(Taka per 100 pieces)

Cow	10,000.00	12
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